TWENTY-SECOND AMENDMENT

FRACTIONAL OFFERING PLAN

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB

TWO EAST 55TH STREET

NEW YORK, NEW YORK 10022

Sponsor:

St. Regis Residence Club, New York Inc.
c/o Starwood Vacation Ownership, Inc.
9002 San Marco Court
Orlando, Florida 32819
(407) 903-4000

Dated: September 10, 2014

TABLE OF CONTENTS

TWENTY-SECOND AMENDMENT

TO

FRACTIONAL OFFERING PLAN

INTRODUCTION

This Twenty-Second Amendment modifies and supplements the terms of the Fractional Offering Plan for the Fifth and Fifty-Fifth Residence Club located at Two East 55th Street, New York, New York 10022 dated February 17, 2006 ("Offering Plan"), as amended, and should be read in conjunction with the Offering Plan, as previously amended.

The terms of this Twenty-Second Amendment are as follows:

1. STATUS OF CLOSING OF CLUB INTERESTS

As of July 18, 2014, Sponsor closed title on the sale of approximately 294 Club Interests out of a total of 494 Club Interests, leaving approximately 200 Club Interests available for sale.

2. PURCHASE PRICE SCHEDULE

Annexed to the Twenty-First Amendment as Exhibit "A" is a revised "Schedule A – Purchase Prices and Related Information" which reflects the current prices for each of the Club Interests.

THE PURCHASE PRICES SET FORTH ON SCHEDULE A HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

3. CLUB BOARD

The present officers and members of the Club Board are as follows:

Name	Office	Affiliation
Christine Georgopulo	President	Club Owner
Skip Kotkins	Vice-President	Club Owner
Clay Cockerell	Treasurer	Club Owner
Paulette Carter	Secretary	Sponsor

Sponsor relinquished control of the Club Board on June 16, 2011.

4. CONDOMINIUM BOARD

The present officers and members of the Condominium Board are as follows:

Name	Office	Affiliation
Bill Bailey	President	Hotel
Marvin Schein	Vice President	Suites
Hermann Elger	Vice President	Hotel
Ryan Musco	Treasurer	Hotel
Paulette Carter	Secretary	Hotel
Christine Georgopulo	Manager	Club
Daniel Mawicke	Manager	Retail

The Hotel and Retail Board Members will at all times control the Condominium Board through the designation of a majority of its members.

5. 2014 CLUB BUDGET

Annexed to the Twenty-First Amendment as Exhibit "B", is the Operating Budget for the Club Association for the period commencing January 1, 2014 and ending December 31, 2014 which was adopted by the Club Board.

Annexed to the Twenty-First Amendment as Exhibit "C" is a Certification of Club Budget Expert.

6. 2014 CONDOMINIUM BUDGET

Annexed to the Twenty-First Amendment as Exhibit "D" is the Operating Budget for the Condominium for the period commencing January 1, 2014 and ending December 31, 2014 which was adopted by the Condominium Board

Annexed to the Twenty-First Amendment as Exhibit "E" is a Certification of Condominium Budget Expert.

7. CLUB FINANCIAL STATEMENTS

Annexed hereto as Exhibit "A" are the financial statements of the Club Association for the 2013 and 2012 calendar years by Myers, Brettholtz & Company, PA, certified public accountants.

8. CONDOMINIUM FINANCIAL STATEMENTS

Annexed hereto as Exhibit "B" are the financial statements of the Condominium for the 2013 and 2012 calendar years certified by Myers, Brettholtz & Company, PA, certified public accountants.

9. PRINCIPALS OF SPONSOR HAVE EXECUTED CERTIFICATION OF SPONSOR AND PRINCIPALS FOR COMPLIANCE WITH THE MARTIN ACT AND GOVERNING REGULATIONS

Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC et al, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013).

10. AMENDMENT TO SVEC DISCLOSURE GUIDE

Annexed hereto as Exhibit "C" is a revised SVEC Disclosure Guide for Members of the Starwood Residence Network. It reflects changes resulting from the 2013 audit required under Florida law of the total number of members of, and Unit weeks in, the Starwood Vacation Exchange Club.

11. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Offering Plan.

12. NO MATERIAL CHANGES

Except as set forth in this Amendment, there have been no material changes of facts or circumstances affecting the Property or the offering.

13. INCORPORATION OF OFFERING PLAN

The Offering Plan, as modified and supplemented by this Amendment, is incorporated herein by reference with the same effect as if set forth at length.

14. EXTENSION OF OFFERING PLAN

The Offering Plan, as modified and supplemented by this Amendment, may not be used after six (6) months following the Filing Date of this Amendment unless the Offering Plan is extended or amended.

SPONSOR:

ST. REGIS RESIDENCE CLUB, NEW YORK INC.

EXHIBIT "A"

2013 AND 2012 CLUB FINANCIAL STATEMENTS

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR
ENDED DECEMBER 31, 2012)

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

12671 Whitehall Drive, Fort Myers, Florida 33907-3626
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THE EXCEPTION TO THE RULE

TABLE OF CONTENTS

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Fifth and Fifty-Fifth Residence Club Association, Inc.

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Residence Club Association, Inc., which comprise the balance sheet as of December 31, 2013, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Residence Club Association, Inc. as of December 31, 2013, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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THE EXCEPTION TO THE RULE

To the Board of Managers of
Fifth and Fifty-Fifth Residence Club Association, Inc.

Report on Summarized Comparative Information

We have previously audited the Fifth and Fifty-Fifth Residence Club Association, Inc.'s 2012 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 21, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses - budget to actual, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Myers, Brettholtz & Company, PA

MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
March 25, 2014

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2013
(With comparative totals for December 31, 2012)

	FUNDS			
	Operating	Replacement	2013 Total	2012 Total
ASSETS				
Cash and cash equivalents	$ 8,579,129	$ 336,063	$ 8,915,192	$ 8,398,515
Certificates of deposit	-	491,000	491,000	1,374,000
Accounts receivable - members, net	81,780	-	81,780	273,943
Interest receivable	-	2,816	2,816	6,147
Due from Manager	-	-	-	15,123
Due from Condominium	-	-	-	163,173
Prepaid expenses	622,146	-	622,146	751,921
Due from funds	-	-	-	1,300,005
Total assets	$ 9,283,055	$ 829,879	$ 10,112,934	$ 12,282,827
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued expenses	$ 515,124	$ -	$ 515,124	$ 85,382
Income taxes payable	25	-	25	25
Due to Manager	18,941	-	18,941	-
Due to Condominium	612,814	-	612,814	-
Assessments received in advance	2,750,186	-	2,750,186	2,433,637
Deferred refurbishment fees	2,729,619	-	2,729,619	3,436,384
Due to funds	-	-	-	1,300,005
Total liabilities	6,626,709	-	6,626,709	7,255,433
FUND BALANCES				
Undesignated	1,656,346	829,879	2,486,225	4,027,394
Board designated	1,000,000	-	1,000,000	1,000,000
Total fund balances	2,656,346	829,879	3,486,225	5,027,394
Total liabilities and fund balances	$ 9,283,055	$ 829,879	$ 10,112,934	$ 12,282,827

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	FUNDS			
	Operating	Replacement	2013 Total	2012 Total
REVENUES				
Maintenance fees	$ 7,208,723	$ 740,424	$ 7,949,147	$ 8,177,090
Refurbishment fees	6,966,720	-	6,966,720	-
Interest and dividends	6,519	11,478	17,997	25,899
Late fees and interest	30,582	-	30,582	29,787
Refund of Condominium fees	-	-	-	163,173
Total revenues	14,212,544	751,902	14,964,446	8,395,949
EXPENSES				
Operation department	1,288,039	-	1,288,039	1,134,744
Homeowners association direct	1,455,537	-	1,455,537	1,193,221
Real property taxes	1,355,330	-	1,355,330	1,432,731
Condominium fees	2,771,580	-	2,771,580	2,886,312
Refurbishment project	6,966,720	2,668,409	9,635,129	-
Total expenses	13,837,206	2,668,409	16,505,615	6,647,008
Excess (deficiency) of revenues over expenses	375,338	(1,916,507)	(1,541,169)	1,748,941
FUND BALANCES - January 1, 2013 and 2012	2,281,008	2,746,386	5,027,394	3,278,453
FUND BALANCES - December 31, 2013 and 2012	$ 2,656,346	$ 829,879	$ 3,486,225	$ 5,027,394

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(With comparative totals for the year ended December 31, 2012)

	FUNDS		2013	2012
	Operating	Replacement	Total	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	$ 375,338	$ (1,916,507)	$ (1,541,169)	$ 1,748,941
Provision for uncollectible accounts	6,290	-	6,290	426,621
Changes in:				
Accounts receivable - members	185,873	-	185,873	(652,939)
Interest receivable	-	3,331	3,331	1,144
Due from Manager	15,123	-	15,123	35,337
Due from Condominium	163,173	-	163,173	(163,173)
Prepaid expenses	129,775	-	129,775	(36,339)
Accounts payable	-	-	-	(5)
Accrued expenses	429,742	-	429,742	(81,635)
Due to Manager	18,941	-	18,941	(28,830)
Due to Condominium	612,814	-	612,814	-
Assessments received in advance	316,549	-	316,549	2,178,043
Deferred refurbishment fees	(706,765)	-	(706,765)	3,436,384
Net cash provided (used) by operating activities	1,546,853	(1,913,176)	(366,323)	6,863,549
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of certificates of deposit	-	-	-	(1,200,000)
Redemption of certificates of deposit	-	883,000	883,000	1,210,000
Net cash provided by investing activities	-	883,000	883,000	10,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Interfund reimbursement	(1,300,005)	1,300,005	-	-
Net increase in cash	246,848	269,829	516,677	6,873,549
CASH AND CASH EQUIVALENTS- January 1, 2013 and 2012	8,332,281	66,234	8,398,515	1,524,966
CASH AND CASH EQUIVALENTS- December 31, 2013 and 2012	$ 8,579,129	$ 336,063	$ 8,915,192	$ 8,398,515
SUPPLEMENTAL INFORMATION				
Income taxes paid	$ 25	$ -	$ 25	$ 25

Read Independent Auditor's Report.
The accompanying notes are an integral part of the financial statements.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - THE ASSOCIATION

Fifth and Fifty-Fifth Residence Club Association, Inc. (the "Association"), was formed on June 26, 2006 to promote and advance the health and welfare of the fractional interest owners of Fifth and Fifty-Fifth Residence Club (the "Club"). The Club consists of 372 fractional interests located on the 8th, 9th, 10th and 11th floors of a mixed-use project which includes lodging and commercial enterprise within the control of the commercial unit owners. The owners of all fractional interests in the Club are the only members.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Project (the "Developer"). Until all fractional interests have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the fractional interests owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 25, 2014, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association prepares its financial statements on the accrual basis and presents them as separate funds based on its different funding policies for operations and major repairs and replacements.

The operating fund reflects the operating portion of the annual assessments billed to the fractional interest owners to meet the various day-to-day expenditures incurred in the administration and operation of the Club. The Board of Managers (the "Board") designated a portion of the operating fund balance to provide for the real estate tax payment.

The replacement fund is composed of the portion of the annual assessments designated in the budget to fund future major repairs and replacements, as further described in Note 9.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when they are 11 days past due. The Association accounts for potential losses in accounts receivable utilizing the allowance method. The Association maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts for the years ended December 31, 2013 and 2012, was $589,354 and $426,778, respectively, and is included in homeowners association direct expenses.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property

The Association is responsible to preserve and maintain the common property of the Club. Ownership of the commonly owned assets is vested directly or indirectly in the fractional interest owners, those assets are not titled in the Association's name and disposition of those assets by the Board is restricted. As a result, commonly owned assets are not presented in the Association's financial statements. Common property not capitalized consists of unit furnishings.

Income Taxes

Management has analyzed its various federal, state and city filing positions and believes that the Association's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The years 2010 through 2013 remain open to examination under federal and New York city and state statute limitations.

The Association files its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The Association is taxed at a rate of 32% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the nonexempt function income; therefore, no deferred tax provision has been recorded. The Association incurred an income tax liability of $25 for the years ended December 31, 2013 and 2012.

Fair Value of Financial Instruments

Substantially all of the Association's assets and liabilities, excluding prepaid expenses, assessments received in advance and deferred refurbishment fees, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

Revenue Recognition

Maintenance fees revenue is recognized monthly in the amount of the membership assessment allocation specified for the current period operations, based on the annual budget adopted by the Board. Each fractional interest owner is an Association member, and a proportionate share of the maintenance fees is assessed for each fractional interest.

Late fees and interest revenue is recognized when collected.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents, excluding certificates of deposit.

The Association made cash payments for income taxes of $25, during the years ended December 31, 2013 and 2012. The Association made no cash payments for interest during the years ended December 31, 2013 or 2012.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Association maintains cash balances and certificates of deposit at several financial institutions. Accounts and certificates of deposit at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2013 and 2012, the uninsured balances were $1,135,631 and $0, respectively, based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling $7,270,817 and $7,257,638, as of December 31, 2013 and 2012, respectively, are not insured by the FDIC.

As of December 31, 2013 and 2012, the Developer owned 92 and 84 fractional interests, respectively or 25% and 23% of the available interests, respectively.

NOTE 5 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - members consisted of the following as of December 31,:

	2013	2012
Maintenance fee assessments	$ 667,405	$ 709,566
Refurbishment fee assessments	269,151	412,863
Less: allowance for uncollectible accounts	(854,776)	(848,486)
	$ 81,780	$ 273,943

NOTE 6 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2013 and 2012, the Developer paid maintenance fees as any other fractional interest owner. The amount of maintenance fees assessed to the Developer during the years ended December 31, 2013 and 2012, were $1,633,941 and $1,680,227, respectively. During the years ended December 31, 2013 and 2012, the Developer paid refurbishment fees of $1,445,974 and $722,987, respectively.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 6 - RELATED PARTY TRANSACTIONS (Continued)

St. Regis New York Management, Inc. (the "Manager"), an affiliate of the Developer, provides on-site management and maintenance services, and off-site administrative and accounting services. The management agreement provides that the Manager may subcontract its rights, duties and obligations. A Board member is also an employee of the management company or its affiliates. Substantially all operating expenses have been allocated to the Association from the Manager. As of December 31, 2013, due to Manager consisted of operating expenses of the Association paid by the Manager. As of December 31, 2012, due from Manager consisted of reimbursements due to the Association.

The Association has a banking agreement ending April 24, 2015 with the Manager and SVO Management, Inc. ("SVOM"), who has guaranteed or indemnified the Association's liability for overdrafts with banks or other entities providing financial services to the Association. The agreement give SVOM the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Association's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.

The Association is part of the high-rise estate project consisting of mixed-use components known as the Fifth and Fifty-Fifth Condominium (the "Condominium"). The Condominium allocates and assesses charges to the Association for the repair, maintenance, replacement, restoration, care, upkeep and operation of, and any alteration, addition or improvement to, the common elements, the provision of services to the mixed-use components and the business affairs of the Condominium. For the years ended December 31, 2013 and 2012, the condominium fees were $2,771,580 and $2,886,312, respectively. The charges are considered to be a common expense of the Association. During the year ended December 31, 2013, the Association was assessed $612,814 by the Condominium for a refurbishment project. As of December 31, 2013, $612,814 was due to the Condominium for refurbishment fees. During the year ended December 31, 2012, the Condominium refunded the Association $163,173 for excess Condominium fees charged in prior years.

NOTE 7 - ASSESSMENTS RECEIVED IN ADVANCE

Assessments received in advance in the amounts of $2,750,186 and $2,433,637, consisted of 2014 and 2013 maintenance and refurbishment fees received by the Association prior to January 1, 2014 and 2013, respectively.

NOTE 8 - DEFERRED REFURBISHMENT FEES

During the years ended December 31, 2013 and 2012, the Association billed owners for refurbishment fees in the amounts of $6,260,114 and $3,436,384, respectively. The refurbishment fees are recognized as the related expenses are incurred. Unexpended amounts are recorded as deferred revenue on the balance sheet until they are either expended for the purpose of the original assessment, returned to owners or used for another purpose determined and approved by the Board. During the years ended December 31, 2013 and 2012, there were expenditures of $6,966,720 and $0, respectively, related to the refurbishment project.

NOTE 9 - REPLACEMENT FUND

New York statutes require reasonable sums to be periodically set aside for the funding of reserves. Reserves are funded per the Board approved budget. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 9 - REPLACEMENT FUND (Continued)

The Association's replacement fund is utilized to accumulate funds for future major repairs and replacements, based on the budgeted portion of the maintenance fee assessment charged to each fractional interest owner, and specifically designated for the fund in the annual budget. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board to meet the objective for which the fund was established.

For the years ended December 31, 2013 and 2012, additions to the fund include $11,478 and $20,878 of interest and dividends, respectively. The Association's policy is to retain the investment income earned on such funds in the replacement fund.

During 2013 and 2012, the Association funded for major repairs and replacements over the estimated useful lives of the components, based on estimates of current replacement costs.

The 2014 proposed budgeted funding is $740,421, as shown in the unaudited supplementary information. The components' actual replacement costs, useful lives, and investment income may vary from the estimated amounts and the variation may be material.

NOTE 10 - COMMITMENTS

The Association currently has a three-year management agreement ending August 28, 2014, with the Manager. The agreement automatically renews for successive three-year periods unless, at least 90 days prior to the expiration of the then-current term, either party gives written notice to the other of its election not to extend the term.

NOTE 11 - ECONOMIC DEPENDENCY

The Association derived approximately 22% and 20% of its revenue from tbe Developer for the years ended December 31, 2013 and 2012, respectively.

Case 1:16-cv-09390-GHW Document 123-43 Filed 10/11/19 Page 20 of 35

SUPPLEMENTARY INFORMATION

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2013
(Unaudited)

The following table represents a study by management, which is based on estimates provided by the Manager during 2013, based on consultation with various experts regarding the estimated remaining lives of the components and their current replacement costs. The following table is based on the study and presents significant information about the components of the common property. Amounts are based on normal operations and without the effect of potential catastrophic occurrences.

Components	Estimated Useful Lives	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2014 Proposed Budgeted Funding
Unit furnishings, equipment, and other capital expenditures	2-29 years	1-23 years	$ 16,448,349	$ 740,421

Estimated current replacement costs are based on the assumption of a variable interest rate earned on investments that exceeds an assumed rate of inflation of 2.4%.

FIFTH AND FIFTY-FIFTH RESIDENCE CLUB ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
REVENUES			
Maintenance fees	$ 7,208,726	$ 7,208,723	$ (3)
Refurbishment fees	-	6,966,720	6,966,720
Interest and dividends	3,844	6,519	2,675
Late fees and interest	32,814	30,582	(2,232)
Total operating fund revenues	7,245,384	14,212,544	6,967,160
EXPENSES			
OPERATION DEPARTMENT			
Housekeeping - variable	781,969	641,364	140,605
Cleaning supplies	197,606	162,175	35,431
Laundry	305,481	250,554	54,927
Owner reservations	205,526	205,524	2
Facilities management	14,556	14,556	-
Engineering other	13,885	13,866	19
Total operation department	1,519,023	1,288,039	230,984
HOMEOWNERS ASSOCIATION DIRECT			
Provision for uncollectible accounts	575,787	589,354	(13,567)
Administrative wages	115,500	65,354	50,146
Administrative other	-	3,092	(3,092)
SVO management	7,027	7,032	(5)
Association management	56,741	56,736	5
Postage and printing	1,665	1,492	173
Audit	9,177	7,500	1,677
Legal and professional	98,110	10,388	87,722
Annual meeting	9,000	9,044	(44)
Bank fees	1,634	1,725	(91)
Credit card fees	159,433	168,287	(8,854)
Management service contract	520,037	520,032	5
Telephone and broadband	1,200	-	1,200
Income taxes	300	25	275
Insurance	17,514	15,476	2,038
Total homeowners association direct	1,573,125	1,455,537	117,588

	Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
REAL PROPERTY TAXES	1,471,660	1,355,330	116,330
CONDOMINIUM FEES	2,771,576	2,771,580	(4)
CONTINGENCY	150,000	-	150,000
REFURBISHMENT PROJECT	-	6,966,720	(6,966,720)
Total operating fund expenses	7,485,384	13,837,206	(6,351,822)
(Deficiency) excess of revenues over expenses	$ (240,000)	$ 375,338	$ 615,338

Read Independent Auditor's Report.

EXHIBIT "B"

2013 AND 2012 CONDOMINIUM FINANCIAL STATEMENTS

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NEW YORK, NEW YORK
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

12671 Whitehall Drive, Fort Myers, Florida 33907-3626
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THE EXCEPTION TO THE RULE

TABLE OF CONTENTS

Myers, Brettholtz & Company, PA
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Fifth and Fifty-Fifth Condominium

We have audited the accompanying financial statements of Fifth and Fifty-Fifth Condominium, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of revenues, expenses and changes in fund balance and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fifth and Fifty-Fifth Condominium as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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To the Board of Managers of
Fifth and Fifty-Fifth Condominium

Other Matter

The supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements is not presented because a replacement fund has not been established, as further described in Note 8. The supplementary information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the supplementary information on future major repairs and replacements that has not been presented.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses - budget to actual, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Myers, Brettholtz & Company, PA

MYERS, BRETTHOLTZ & COMPANY, PA
Fort Myers, Florida
March 25, 2014

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THE EXCEPTION TO THE RULE

FIFTH AND FIFTY-FIFTH CONDOMINIUM
BALANCE SHEETS
DECEMBER 31,

	2013	2012
ASSETS		
Cash and cash equivalents	$ 3,130,838	$ 3,205,190
Accounts receivable - members, net	13,453	21,780
Due from Manager	249,579	-
Due from Club	612,814	-
Prepaid expenses	5,879	6,263
Total assets	$ 4,012,563	$ 3,233,233
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued expenses	$ 17,982	$ 47,654
Income taxes payable	25	25
Due to Manager	-	736,028
Due to Club	-	163,173
Deferred refurbishment fees	829,246	-
Total liabilities	847,253	946,880
FUND BALANCE	3,165,310	2,286,353
Total liabilities and fund balance	$ 4,012,563	$ 3,233,233

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
REVENUES		
Common charges	$ 20,287,139	$ 21,303,369
Interest	1,185	2,210
Late fees and interest	557	-
Total revenues	20,288,881	21,305,579
EXPENSES		
Operations	9,590,547	9,494,626
Administrative and general	2,119,404	2,132,161
Repairs and maintenance	3,673,220	3,406,780
Energy department	2,699,463	2,724,391
Guest laundry department	566,697	534,762
Board and membership meetings	5,420	3,206
Provision for uncollectible accounts	50,435	44,616
Legal and audit	13,314	14,712
Income taxes	25	25
Insurance	570,444	527,657
Management fees	120,955	117,612
Total expenses	19,409,924	19,000,548
Excess of revenues over expenses	878,957	2,305,031
FUND BALANCE - January 1,	2,286,353	1,073,656
SURPLUS DISTRIBUTION	-	(1,092,334)
FUND BALANCE - December 31,	$ 3,165,310	$ 2,286,353

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	$ 878,957	$ 2,305,031
Provision for uncollectible accounts	50,435	44,616
Surplus distribution	-	(1,092,334)
Changes in:		
Accounts receivable - members	(42,108)	(66,396)
Due from Manager	(249,579)	-
Due from Club	(612,814)	28,830
Prepaid expenses	384	(3)
Accounts payable and accrued expenses	(29,672)	(12,178)
Due to Manager	(736,028)	712,102
Due to Club	(163,173)	163,173
Assessments received in advance	829,246	(2,119)
Net (decrease) increase in cash	(74,352)	2,080,722
CASH AND CASH EQUIVALENTS - January 1,	3,205,190	1,124,468
CASH AND CASH EQUIVALENTS - December 31,	$ 3,130,838	$ 3,205,190

SUPPLEMENTAL INFORMATION		
Income taxes paid	$ 25	$ 25

Read Independent Auditor's Report.
The accompanying notes are an integral
part of the financial statements.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - THE CONDOMINIUM

Fifth and Fifty-Fifth Condominium (the "Condominium"), was formed on June 13, 2006, to be responsible for the management of a high-rise estate project (the "Project") consisting of distinct mixed-use components located in New York, New York.

The Project consists of: (1) 15 suite units, located on the 10^{th} and 11^{th} floors of the building, (2) 31 club units, located on the 8^{th}, 9^{th}, 10^{th} and 11^{th} floors of the building, and (3) two commercial units, one of which (the "Hotel unit") is located on portions of each floor (other than the 8^{th}, 9^{th}, 10^{th}, and 11^{th} floors) of the building and the "Retail unit" which is located on portions of the 1^{st} and mezzanine floors of the building. The owners of all units in the Condominium are the only members.

SLT Palm Desert, LLC, a Delaware limited liability company (as to 10.7567% tenant-in-common interest); SLT Realty Limited Partnership, a Delaware limited partnership (as to a 63.5756% tenant-in-common interest); Prudential HEI Joint Venture, a Georgia general partnership (as to an 11.3826% tenant-in-common interest); and SLT St. Louis, LLC, a Delaware limited liability company (as to a 14.2851% tenant-in-common interest) are the developers of the Project (the "Developer"). Until all units have been sold, the Developer has the right to use and transact on the property, any business necessary to consummate sale, resale or rental of all the units owned by the Developer.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Condominium has evaluated events and transactions for potential recognition or disclosure through March 25, 2014, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Accounting

The Condominium prepares its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are generally considered delinquent when they are 11 days past due. The Condominium accounts for potential losses in accounts receivable utilizing the allowance method. The Condominium maintains an allowance for uncollectible accounts at an amount that it believes is sufficient to provide adequate protection against future losses. Provisions for losses are determined principally on the basis of experiences in the preceding years, taking into account historical losses, industry standards and current economic conditions. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for uncollectible accounts. Provision for uncollectible accounts for the years ended December 31, 2013 and 2012 was $50,435 and $44,616, respectively.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Common Property

The Condominium is responsible to preserve and maintain the common property of the Project. Ownership of the commonly owned assets is vested directly or indirectly in the unit owners, those assets are not titled in the Condominium's name and disposition of those assets by the Board of Managers (the "Board") is restricted. As a result, commonly owned assets are not presented in the Condominium's financial statements.

The common elements of the Condominium (the "Common Elements") consist of the entire property including the land and all parts of the building and improvements thereon other than the units. The Common Elements are classified as general common elements and hotel limited common elements. The Common Elements do not include any of the development rights, all of which are assigned and reserved to and shall inure to the benefit of the hotel unit and the hotel unit owner.

The hotel unit owner shall, at least annually, prepare a budget in connection with the operation, care, upkeep and maintenance of the hotel limited common elements and shall periodically invoice the Condominium for such expenses incurred or to be incurred. Each unit owner shall pay to the Condominium its allocated share of the allocable hotel expenses. Such amounts payable to the Condominium shall be deemed to be included in general common charges, shall be collected by the Condominium and the Condominium shall have, any and all rights and remedies for the collection of such charges.

The declaration grants various easements to the hotel unit owner for such items as alteration and reconfiguring of the lobby, entrance, and other public areas of the building; the right to maintain and operate a platform and other facilities for the purpose of operating communication equipment; and the right to apply for and/or grant with respect to the façade of the property a further historic preservation easement or similar right. In addition, the hotel unit owner grants to the members of the Condominium that for as long as any portion of the space specified as health club is made available to hotel guests as a fitness facility, the members of the Condominium shall have a right to access and use the health club; and agrees to provide on the same basis that such services are provided and made available to hotel guests: hotel concierge service, lobby bellmen and doormen; room service, and housekeeping service at a daily charge.

Income Taxes

Management has analyzed its various federal and state filing positions and believes that the Condominium's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The years 2010 through 2013 remain open to examination under federal and New York statute limitations.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Condominium has elected to be taxed as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that Section, the Condominium is not taxed on uniform assessments to members and other income received from Condominium members solely as a function of their membership in the Condominium. The Condominium is taxed at a rate of 30% on its investment income and other non-exempt function income, less allocable expenses. There are no temporary differences between the financial reporting and tax reporting with respect to the non-exempt function income; therefore, no deferred tax provision has been recorded. The Condominium incurred an income tax liability of $25 for the years ended December 31, 2013 and 2012.

Fair Value of Financial Instruments

Substantially all of the Condominium's assets and liabilities, excluding prepaid expenses and deferred refurbishment fees, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

Revenue Recognition

Common charges revenue is recorded monthly in the amount of the membership assessment allocation specified for current period operations, and is based on the annual budget adopted by the Board. Each unit owner is a Project member, and a proportionate undivided interest in fee simple absolute (expressed as a percentage) in the Common Elements is assessed for each unit.

Late fees and interest revenue is recognized when collected.

Cash Flows

For purposes of the statement of cash flows, the Condominium considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Condominium made cash payments for income tax of $25 during the years ended December 31, 2013 and 2012. The Condominium made no cash payments for interest during the years ended December 31, 2013 or 2012.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FIFTH AND FIFTY-FIFTH CONDOMINIUM
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Condominium maintains cash balances at one financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation ("FDIC"). As of December 31, 2013 and 2012, the cash balances were fully insured based on the bank statement balances, less the FDIC insurance. Cash balances at an investment services company and cash equivalents totaling $3,088,243 and $3,159,207, as of December 31, 2013 and 2012, respectively, are not insured by the FDIC.

As of December 31, 2013 the Developer owned the hotel unit and six suite units. As of December 31, 2012 the Developer owned the hotel unit and eight suite units.

NOTE 5 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - member consisted of the following as of December 31,:

	2013	2012
Maintenance fee assessments	$ 222,233	$ 180,125
Less: allowance for uncollectible accounts	(208,780)	(158,345)
	$ 13,453	$ 21,780

NOTE 6 - DEFERRED REFURBISHMENT FEES

During the year ended December 31, 2013, the Condominium billed owners for refurbishment fees. The refurbishment fees are recognized as the related expenses are incurred. Unexpended amounts are recorded as deferred revenue on the balance sheet until they are either expended for the purpose of the original assessment, returned to owners or used for another purpose as determined and approved by the Board. As of December 31, 2013, no amounts have been expended against the project.

NOTE 7 - RELATED PARTY TRANSACTIONS

St. Regis New York Operating LLC (the "Manager"), an affiliate of the Developer, provides on-site management and maintenance services, and off-site administrative and accounting services. As of December 31, 2013, due from Manager consisted of reimbursements due to the Association. As of December 31, 2012, due to Manager consisted of operating expenses of the Condominium paid by the Manager. Certain Board members are also employees of the Manager or its affiliates. Substantially all operating expenses have been allocated to the Condominium from the Manager.

The Condominium has a banking agreement ending April 25, 2015 with the Manager, SVO Residential Management, Inc. and SVO Management, Inc. ("SVOM"), who has guaranteed or indemnified the Condominium's liability for overdrafts with banks or other entities providing financial services to the Condominium. The agreement gives SVOM the right to reimburse itself for the amount of any overdrafts, if any, incurred on the Condominium's behalf. The agreement automatically renews for successive three-year periods unless terminated according to the terms of the agreement.